

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1392 by Davis (Relating to an audit by the state auditor and a study by the comptroller of the events trust funds.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1392, As Introduced: a negative impact of (\$625,688) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$625,688)
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$625,688)	4.4
2015	\$0	0.0
2016	\$0	0.0
2017	\$0	0.0
2018	\$0	0.0

Fiscal Analysis

The bill would require the State Auditor's Office (SAO) and Comptroller of Public Accounts (Comptroller) to conduct, respectively, an audit and study related to certain events trust funds, including the Major Events Trust Fund, Motor Sports Racing Trust Fund and Events Trust Fund. The bill would specify that the audit conducted by the SAO include a determination on whether money from an events trust fund is: disbursed in compliance with relevant laws or standards; monitored so that the recipients of events funding comply with applicable agreements, laws, or standards; and maintained to provide for financial controls and accountability regarding use of the money.

The bill would specify that the study required by the Comptroller determine the economic impact of events which qualify for funding through an events trust fund and whether the events would likely be held in this state absent incentives provided through the trust funds. This analysis assumes that the study by the Comptroller would evaluate the same types of events trust funds that would be included in the scope of the SAO's audit and not solely the Events Trust Fund under Section 5C of Article 5190.14, Vernon's Texas Civil Statutes. Both the audit by the SAO and the study by the Comptroller would be due by January 1, 2015 to the Lieutenant Governor, Speaker of the House of Representatives, and the presiding officer of each standing committee over the Senate and House of Representatives having primary jurisdiction over fiscal matters or matters related to tourism and recreation.

Methodology

Based on the analysis of the SAO, the cost for the agency to conduct the audit is anticipated to be \$625,688 in fiscal year 2014, which reflects the agency's 2013 billing rate of \$90 per hour applied to 7,000 hours of audit. The cost reflects salaries for 4.4 auditor positions (\$406,000) and associated benefits (\$120,744); travel expense of \$9,688; and other operating expenses of \$89,256.

The Comptroller estimates there would be a cost associated with implementing the provisions of the bill. It is anticipated that the additional costs could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 308 State Auditor's Office

LBB Staff: UP, RB, EP, LCO, MW